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PRESS RELEASE

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MANDATORY PURCHASE OF LONG-TERM CARE INSURANCE FLOATED AS IDEA TO DEAL WITH ANTICIPATED MEDICARE SHORTFALLS IN 2026

Conservative members of the U.S. Congress may balk at this idea, but a proposal similar to the Affordable Care Act's mandate for purchasing regular health insurance has been suggested to members of the Senate Special Committee on Aging as a possible way to deal with shortfalls when Medicare starts running deficits in 2026.

A PulsePoints blog post on the Cambridge Realty Capital Companies website, www.cambridgecap.com, reports that Dr. Judy Feder, a Fellow at the Urban Institute and a professor at Georgetown University's McCourt School of Public Policy, said the Committee should explore a long-term care insurance mechanism that could be private, public or some combination of the two.

The academic said she favors a public insurance model with private insurance playing a complementary role. Mandatory participation would be needed in order to effectively reach the broadest population, spread the risk and make it affordable, she told the Committee.

Cambridge Chairman Jeffrey A. Davis says aging of the population is taking place in countries all over the world, and different governments are responding to this shift and the impact that it's having on long-term care needs in different ways. For example, some European countries have implemented comprehensive national programs to address their long-term care needs, and others have started social health insurance programs that provide cash payments directly to long-term care recipients, who use the payments to pay caregivers.

In Canada, funding for long-term care facilities is governed by the different territories and provinces. In the U.S., it is usually funded using a combination of sources such as personal wealth, contributions from family members, long-term care insurance, Medicare and Medicaid, with the government programs accounting for the vast majority of funding.

Davis says the Committee did not endorse the idea of requiring individuals to purchase long-term care insurance. But both the chairman and ranking member expressed concerns about the current long-term care system.

"Requiring individuals to purchase long-term care insurance would benefit senior housing providers by reducing their uncollectible receivables, increasing their net operating income and bolstering their ability to obtain financing for future growth," he said.

Privately owned since its founding in 1983 as a real estate investment banker specializing in commercial real estate properties, Cambridge today has three distinctive business units: FHA-insured HUD loans, conventional financing, and investments and acquisitions. The company is one of the nation's leading nursing home, assisted living and healthcare debt and equity capital providers, with more than 400 closed transactions totaling more than $4.5 billion since the early 1990's, when the firm began its specialization in providing senior housing capital.

Cambridge has consistently ranked among the country's top five FHA-insured HUD lenders (now HUD LEAN) over the last 15 years and offers an array of conventional lending options, including permanent construction and interim loans on either a floating or variable rate basis. The company's principal investment strategy includes direct property acquisitions and joint ventures, sale/leasebacks, conventional and mezzanine debt financing, and the acquisition of distressed debt.

Cambridge is the creator of *The Signature Experience(TM)*, a four-step process designed to transform the traditional lender/borrower relationship and identify "ideal" capital solutions for worthy projects. The company has a national origination office in Los Angeles, and numerous correspondent and brokerage relationships nationwide.

Cambridge publishes the bi-monthly e-PULSE!(R) electronic newsletter, which delivers company news and feature stories via e-mail to corporate friends and clients, as well as monthly updates of other relevant news and breaking trends. Additional information is available on the Cambridge website, www.cambridgecap.com, and Cambridge can be reached at (312) 357-1601 or via e-mail to *info@cambridgecap.com*.

The firm also has embraced social media and networking via Twitter at http://twitter.com/cambridgecap , via Facebook at http://www.facebook.com/cambridgecap, via blog atwww.cambridgecap.com/blog, via YouTube at http://www.youtube.com/user/ePulseLive,and via Linkedin at http://www.linkedin.com/companies/454232, where information on the firm and its employees can be found.

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